

**MONTANA DEPARTMENT OF COMMERCE**  
**MONTANA INDIAN EQUITY FUND**  
**FY 2014 GRANT APPLICATION GUIDELINES**

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**APPLICATION PERIOD:**

September 11, 2013 – October 31, 2013

## **MONTANA DEPARTMENT OF COMMERCE**

### **MONTANA INDIAN EQUITY FUND**

#### **GRANT APPLICATION GUIDELINES FOR FY 2014 INDIAN EQUITY FUND PROPOSALS**

##### **A. SUMMARY**

There is a serious lack of owner's equity available for Native American business owners on the reservations and among the Indian population of Montana. Owner's equity is defined as the amount of monies invested by the owner in his or her business. Unlike non-native small business owners, traditional forms of equity from home ownership, family and friends are often not available to the Indian business owner due to widespread poverty. The Montana Indian Equity Fund is a grant to assist a current Native American business or a new Native American business owner. Because of the fund's ability to offer these grants to be used by the recipient for equity, the fund is able to play a unique role in assisting in the growth of Native American small business. This money can be used for a variety of activities such as the purchase of new equipment or the development of a new product line. The fund requires a minimum of dollar to dollar match (\$1:\$1) which may include collateral such as cash, in kind, or loan funds such as a tribal loan fund, a micro loan program, or a commercial lender. Examples of in kind match may include inventory, supplies, equipment, tools or vehicles that are part of the activity of the business. In order to determine the success of the program, those businesses that receive funding will be required to provide financial information regarding their business as requested to the Department.

Existing business owners must show how the funding will support growth in their business either through the development of a new project or with the existing business strategy. This growth must be described in the narrative, financial information (such as leases, contracts, invoices or vendor quotes), and financial projections.

New business owners must show how the funding will support the success of their start up idea. This must be described in the narrative, financial information (such as leases, contracts, invoices or vendor quotes), and financial projections.

In fiscal year 2014, the Montana Department of Commerce will provide grants of up to a total of \$14,000 to eligible applicants from the seven federally recognized Indian Reservations, and the Little Shell Tribe. . Applications will be accepted beginning September 11, 2013 and will remain open until October 31, 2013. All applications will be considered on a competitive basis with a priority to fund up to \$14,000 on each reservation and to the Little Shell Tribe-affiliated eligible

applications that meet the funding criteria. Applications will be recorded with date and time received by the Department and reviewed in order of receipt. **Applications considered incomplete or ineligible will be returned to the applicant and their placement on the list of received applications will be removed.** Applications that are not typed will not be accepted. Receipt of an application does not imply a commitment for funding from the Montana Department of Commerce (MDOC). Applications will be reviewed for eligibility and appropriateness with state and program requirements. Applications will be reviewed by a local review committee and the State Review Committee.

The Indian Equity Fund grant review process is extensive. Each application is reviewed by the program specialist and every applicant is given an opportunity to provide additional information for their application. The local review committees are composed of volunteers in each of the communities. Several weeks are required to read and coordinate the ranking of applications. The local review committees make a recommendation to the State Review Committee who then forward their recommendations to the Director of the Montana Department of Commerce. While it is intent of the program management to have funding available as soon as possible, for business planning purposes, do not expect funds to be available before January 13, 2014.

#### **1. Eligible Applicants**

**The funds are available only to enrolled members of Montana's federally recognized tribes in Montana and to enrolled members of the Little Shell Tribe of Chippewa. All applications must include documentation of tribal enrollment in the form of a Certified Indian Blood (CIB) Form or tribal ID.**

**The funds are available to applicants residing on or next to the seven Indian reservations in Montana and members of the Little Shell Tribe of Chippewa residing in Montana, as determined by each of the local review committees.**

#### **2. Eligible Uses of Funds**

Funds can be used for the kinds of activities usually funded by a commercial lender. These activities may include but are not limited to:

- Purchase of land, building and equipment.
- Purchase of assets including furnishings, equipment and technology.
- Selected use of working capital for business operations.

The release of funds to the grantees will be made based on the following requirements:

- Purchases in amounts greater than \$1,000 will be paid directly to the vendor by the Department.
- Purchases in amounts less than \$1,000 will be paid from vendor receipts submitted to the Department by the grantee.

### **3. Ineligible Activities**

**The following activity will not be funded:**

- Reimbursement for activities completed prior to grant award.

### **4. Maximum Funding and Required Match**

In fiscal year 2014, the Montana Department of Commerce will provide grants of up to a total of \$14,000 to eligible applicants from the seven federally recognized Indian Tribes and the Little Shell Tribe. The business owner must provide a match on a 50-50 basis that must be firmly committed by the time the funds are released. Firm loan commitments, such as funds borrowed from a local bank, are acceptable forms of match. Collateral from the business owner, either in cash or in kind (for example inventory or equipment), is an acceptable form of match. The funds requested and the proposed matching funds must be documented in the application.

Applications that have higher leverage including either debt or equity as part of the match may receive higher rankings.

It is the intent of the Department to increase awareness and support for the program among Montana lenders. Matching funds from financial institutions will receive additional consideration.

Finally, if the loan is from a Native American Community Development Financial Institution (CDFI), a tribal loan fund or credit program, or a Native American owned bank, the application will receive additional consideration in the scoring of the proposal.

## **B. APPLICATION REVIEW PROCESS**

Applications for FY 2014 will be accepted beginning September 11, 2013 (post mark date or email date), by the Montana Department of Commerce-hereafter referred to as the Department. All written applications received with a post mark date of October 31, 2013 will be considered on a competitive basis. All emailed applications received prior to midnight of October 31, 2013 will be considered on a competitive basis. Applicants are encouraged to submit their application earlier than the deadline.

### Local Review Committee

The application process will include a review by a local review committee and the State Review Committee. After submission to the Department, the application will be reviewed by the local review committee composed of members from the local business and business development communities. The local review committee will include a member of the State Tribal Economic Development (STED) Commission, if available, or a member appointed by the STED Commission member. The committee will include at a minimum one reviewer who is a professional lender. Recommendations of the local review committee will be forwarded to the State Review Committee.

### State Review Committee

A final review will be made by the State Review Committee. A majority of the committee will represent state programs that understand and work closely on Native American economic development issues.

The Committee will be composed of:

Jason Smith, State Director of Indian Affairs, Governor's Office of Indian Affairs  
Heather Sobrepena-George, Program Manager, Indian Country Economic Development, Montana Department of Commerce  
Andy Shirtliff, Small Business Ombudsman, Governor's Office of Economic Development  
Philip Belangie (Non-voting member), Program Specialist, SBDC Entrepreneur Development, Montana Department of Commerce

The State Review Committee will meet to review policy and application requirements and make recommendations of the local review committees' recommendations prior to final approval by the Director of the Montana Department of Commerce.

The following five criteria will be used to evaluate the proposals for potential funding.

1. Quality of the application
2. Business experience of the applicant
3. The financial projections
4. The marketing plan
5. Quality of the match

**Financial Need:** The fund is designed to assist the new business start up and the small business that is growing. If either the local review committee or the State Review Committee finds the applicant has sufficient wealth (business and/or personal assets) that would allow the applicant to easily access funding through a commercial lender, local economic development organization or other gap financing, either of the committees may deny the application as outside the scope of the program.

**Limited Funding:** Program funding is very limited. If there are other grants or loan programs that may be utilized by the applicant this may impact the final award of a contract. For example there are loan programs available through the Farm Service Agency at Rural Development United States Department of Agriculture (USDA) and the Montana Department of Agriculture.

**Previous Award Recipients:** An applicant that has previously received an Indian Equity Grant will rank less competitively than other applicants who have not received a previous award. In addition, an applicant who was a previous recipient must meet one of the below criteria in their application:

- New technology:
- A new product or line of products; or
- A new service or services.

The documentation will be reviewed under the following criteria:

**The documentation required for the fund is similar to the criteria required by a bank for a commercial loan. Please provide information on the following:**

- a. A business description that outlines the nature of your business, describes the product or service and its market, and identifies its customers and competition.
- b. A personal profile that outlines the background and experience of each of the principals in a resume.
- c. A proposal that states the fund request and its purpose.
- d. A business summary (including a marketing plan) that outlines the business strategy for the next three years. This will aid the committee in determining whether the business will generate the cash flow needed to operate the business. (Include a three year cash projection.)
- e. If a loan is included in the match, a repayment plan that proposes to repay the loan or outlines a repayment schedule. (This will be shown by line item in the above three year projection.)
- f. Supporting documentation that includes copies of pertinent papers that support the information contained in the application proposal. For example, a lease, contracts, invoices, vendor quotes or letter of reference.
- g. Documentation of enrollment in a Montana federally recognized tribe or the Little Shell Chippewa Tribe. Documentation will be either a Certified Indian Blood (CIB) Form or tribal ID.
- h. Outline the collateral that the business will use to secure the payment of the loan or as part of the match requirement. Collateral can include either personal or business assets: For example inventory, equipment, accounts receivable, real estate and automobiles.
- i. Financial statements both personal and business.

**Incomplete applications will not be accepted.**

Applicants must submit a completed application with supporting documentation. **A signed original application is required. The application may be submitted by mail or by email to the following addresses:**

**Philip Belangie  
Montana Department of Commerce  
1121 East Broadway, Suite 112  
Missoula, MT 59802  
pbelangie@mt.gov**

Applicants may address any questions regarding the application or the Indian Equity Fund program to:

Philip Belangie  
(406) 721-3663  
Email: [pbelangie@mt.gov](mailto:pbelangie@mt.gov)

#### **C. DISBURSEMENT OF FUNDING**

The funds will be dispersed by the Department. Funding will only be made with the final approval by the Director of the Department of Commerce.

#### **D. BUSINESS ASSISTANCE RESOURCES**

To assist the applicant in the preparation of the application there are resources available. This assistance does not include preparing the application for the applicant—it is essential that business owners understand their business. The assistance includes business counseling and assistance with the various aspects of your business such as marketing and developing your cash flows. This support is offered throughout Montana. In the table included below are the organizations providing business assistance in Indian communities and the Small Business Development Centers located throughout Montana.



## **FY 2014 Montana Indian Equity Fund**

### **Applicant Certification and Contact Form**

**The Applicant hereby certifies that:**

#### **ACCEPTANCE OF THE FUND PROGRAM REQUIREMENTS**

The applicant will comply with all requirements established by the Montana Department of Commerce and applicable State laws, regulations, and administrative procedures.

The applicant accepts the terms, conditions, selection criteria, and procedures established by the Montana Department of Commerce – Indian Equity Fund Process and expressly waives any statutory or common law right the applicant may have to challenge the legitimacy and propriety of these terms, conditions, criteria, and procedures in the event that the applicant is not selected for an award of funds.

#### **APPLICANT - CERTIFICATION**

**To the best of my knowledge and belief, the information provided in this application and in the attached documents is true and correct.**

**Name** \_\_\_\_\_

**Title** \_\_\_\_\_

**Signature** \_\_\_\_\_

**Date** \_\_\_\_\_

**Phone Number** \_\_\_\_\_

#### **Contact Person for Further Information:**

**Name** \_\_\_\_\_

**Mailing Address** \_\_\_\_\_

\_\_\_\_\_

**Email Address** \_\_\_\_\_

**Phone Number** \_\_\_\_\_

**Fax Number** \_\_\_\_\_

**Amount of Equity Funds Requested \$** \_\_\_\_\_

<b>Local Organizations Offering Business Assistance</b>			
<b><u>Organization</u></b>	<b><u>Contact</u></b>	<b><u>Phone</u></b>	<b><u>Email</u></b>
<i>Browning Community Development Corporation</i>	Elva Dorsey Joe Bremner	(406) 450-8214	<a href="mailto:joeb.bfcc@yahoo.com">joeb.bfcc@yahoo.com</a> <a href="mailto:edorseybcdcd@yahoo.com">edorseybcdcd@yahoo.com</a>
<i>Native American Community Development Corporation</i>	Patty Gobert	(406) 338-2992	<a href="mailto:blc7693@yahoo.com">blc7693@yahoo.com</a>
<i>Apsaalooke Nation Revolving Loan Fund</i>	Yolanda Good Voice	(406) 638 3733	<a href="mailto:yolanda.goodvoice@crownsn.gov">yolanda.goodvoice@crownsn.gov</a>
<i>S&amp;K Holding Company, Inc.,</i>	Steve Clairmont	(406) 883-4317	<a href="mailto:steve@skholdingcompany.com">steve@skholdingcompany.com</a>
<i>Lake County Community Development Corporation</i>	Carol Cunningham	(406) 261-3200	<a href="mailto:cunningham1carol@yahoo">cunningham1carol@yahoo</a>
<i>Island Mountain Development Group</i>	Juanita Cole Michelle Fox	(406) 353-2463 (406) 301-0989	<a href="mailto:Juanita@islandmtn.com">Juanita@islandmtn.com</a>
<i>Great Northern Development Corporation</i>	Lorene Hintz	(406) 653-2590	<a href="mailto:sbdc@gndc.org">sbdc@gndc.org</a>
<i>Warshield Economic Development Corporation</i>	James Parker Shield	(406) 590-1745	<a href="mailto:jpshield@hotmail.com">jpshield@hotmail.com</a>
<i>Chief Dull Knife College Extension Program</i>	Henry Thompson	(406) 477-6215 x123	<a href="mailto:henry@cdkc.edu">henry@cdkc.edu</a>
<i>People's Partners</i>	Sharon Small	..406-477-6215 x 174.	<a href="mailto:sksmall@hotmail.com">sksmall@hotmail.com</a>
<b>Regional Small Business Development Centers (SBDC) and Organizations Offering Technical Assistance</b>			

<i>Native American Development Corporation</i>	Taffy Lafferty	(406) 259-3804	<a href="mailto:tlaffety@wtp.net">tlaffety@wtp.net</a>
<b>Billings:</b> <i>Contact</i>	Philip Belangie	(406) 721-3663	<a href="mailto:pbelangie@mt.gov">pbelangie@mt.gov</a>
<b>Bozeman:</b> <i>Montana CDC</i>	Sean Becker	(406) 728-9234 ext 250	<a href="mailto:seanb@mtcdc.org">seanb@mtcdc.org</a>
<b>Butte:</b> <i>Headwaters RC&amp;D</i>	Julie Jaksha	(406) 782-7333	<a href="mailto:jjaksha@headwatersrcd.org">jjaksha@headwatersrcd.org</a>
<b>Colstrip:</b> <i>Southeastern Montana Development Corporation</i>	John Sisson	(406) 748-2990	<a href="mailto:sbdc@bhwi.net">sbdc@bhwi.net</a>
<b>Great Falls:</b> <i>Great Falls Development Authority</i>	Rebecca Engum	(406) 453-8834	<a href="mailto:regnum@gfdevelopment.org">regnum@gfdevelopment.org</a>
<b>Havre:</b> <i>Bear Paw Development Corporation</i>	Joe LaPlante	(406) 399-1557	<a href="mailto:jlaplant@bearpaw.org">jlaplant@bearpaw.org</a>
<b>Helena:</b> <i>Contract</i>	Philip Belangie	(406) 721-3663	<a href="mailto:pbelangie@mt.gov">pbelangie@mt.gov</a>
<b>Kalispell:</b> <i>Contract</i>	Philip Belangie	(406) 721-3663	<a href="mailto:pbelangie@mt.gov">pbelangie@mt.gov</a>
<b>Missoula:</b> <i>Montana CDC</i>	Amita Patel Greer	(406) 728-9234	<a href="mailto:amita@mtcdc.org">amita@mtcdc.org</a>
<b>Wolf Point:</b> <i>Great Northern Development Corporation</i>	Lorene Hintz	(406) 653-2590	<a href="mailto:sbedc@gndc.org">sbedc@gndc.org</a>

